

Application for Obsolete Property Rehabilitation Exemption Certificate

Issued under authority of Public Act 146 of 2000, as amended.

This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) See State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility) River Street Hotel, LLC		
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code) 640 TWIN LAKES DRIVE NE, GRAND RAPIDS, MI 49525		
Location of obsolete facility (Number and Street, City, State, ZIP Code) 348 RIVER ST, MANISTEE, MICHIGAN 49660		
City, Township, Village (indicate which) City		County MANISTEE
Date of Commencement of Rehabilitation (mm/dd/yyyy) 05/01/2023	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 05/01/2024	School District where facility is located (include school code) 51070 MANISTEE AREA
Estimated Cost of Rehabilitation \$3,560,000.00		Number of years exemption requested 12
Attach legal description of obsolete property on separate sheet.		
Expected Project Outcomes (Check all that apply)		
<input checked="" type="checkbox"/> Increase commercial activity	<input type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment. 10		
<input checked="" type="checkbox"/> Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the box at left if you wish to be considered for this exclusion.		

APPLICANT CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

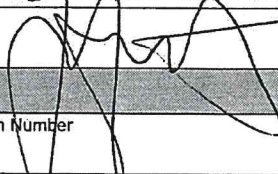
The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (No authorized agents) Michael Garrett	Telephone Number (616) 451-0500	Fax Number (616) 451-0860
Mailing Address 1000 Front Ave, Grand Rapids, MI 49504	E-mail Address mg@askourclients.com	
Signature of Company Officer (no authorized agents)	Title Manager	

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on page 2. Part 3 is to be completed by the Assessor.

Signature 	Date Application Received	
FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

348 River Street Manistee OPRA

General Description

The three-story, brick building at 348 River Street was constructed c. 1910. The ground floor was originally used as an office and most recently used as a bookstore. The second floor originally housed the meeting rooms of the Knights of Columbus. The Riverwalk level appears to have been used for mechanical equipment and storage. The building is approximately 12,000 square feet on three floors. The building is a contributing part of the Manistee Commercial Historic District and has applied for designation on the National Register of Historic Places.

Proposed Use

River Street Hotel (RSH) will operate Emerald Cove as a 5 Suite hotel within the lodging sector of the hospitality industry. RSH will also lease restaurant space within Emerald Cove. RSH will be located at 348 River Street, Manistee Michigan 49660 within the historic commercial district. It will operate out of a fully restored historic building. The existing building is three stories and approximately 12,000 sf. The lowest level opens onto the Riverwalk and will have a hotel unit and the restaurant kitchen. The main floor open onto river street and will primarily be restaurant space with the hotel lobby. The upper level will have four hotel units. All spaces will be handicap accessible.

RSH will offer 5 suites of approximately 450-1,200 sq ft each. Our hotel's location within the historic commercial district offers a unique main street and river channel experience. Some of our defining features will be the size of our suites, providing group and family conscious setups, and our proximity to main street shops and the beach. Our suites will be available for minimum 2 night stay, seasonally ranging from \$200 to \$500 a night. Our suites connect our guests to the story of River St, the Riverwalk and Manistee.

RSH will offer approximately 5,400 sq ft of space available for a restaurant. The restaurant will have frontage on both River Street "Main street" and the Riverwalk. Some of its defining features include its proximity to the Riverwalk, unique deck experience, and revenue generation collaboration opportunities with our hotel operations. This space will be leased NNN with a 5+ year term.

The project is seeking historic tax credits and the renovation will meet the Department of Interiors Standards for historic renovations. The State Historic Preservation Office (SHPO) has preliminary reviewed the project and believes it to be a good candidate for a historic designation. We have submitted the Part 1 application to the SHPO for approval.

Detail Description of Rehabilitation

Exterior

- Roof replacement and insulation
- All windows to be replaced, additional windows to be added on 2nd floor
- Main level storefront to be replaced
- Exterior egress stair to be replaced and extended to the 2nd floor
- New porches for both the suites and the restaurant on the riverwalk side
- Brick to be tuckpointed and replaced as needed

Mechanical Systems

- Sewer line to be replaced and upgraded
- Water line to be replaced and upgraded
- Water line for fire sprinklers to be added
- All interior plumbing to be replaced. No existing water or sewer lines to be reused
- Electrical service to be replaced and upgraded
- All interior electrical to be replaced. No existing wiring or fixtures to be reused
- All heating and cooling equipment to be replaced.
- Residential equipment to be used in the hotel suites
- Commercial air handlers to be used in the restaurant.
- Commercial kitchen exhaust to be added
- Fire sprinklers and fire alarm system to be added

Interior

- Existing wood floors, plaster walls, plaster ceilings, and tin ceilings will be kept in most locations.
- New interior walls
- New ADA bathrooms for the restaurant
- New bathrooms with showers / tubs for the suites
- New kitchens, residential in the suites, commercial for the restaurant
- New elevator and elevator shaft to create accessibility on all levels
- New finishes as required

Fixed Building Equipment

- There is no existing building equipment to be reused
- New building equipment includes
 - Electrical Switchgear and Panels
 - HVAC, including RTU's, furnaces and condensers
 - Elevator
 - Commercial kitchen exhaust, including range hood

River Street Hotel : 348 River St, Manistee Michigan.		
Name	Start	End
Overall Timeline:	07/01/2022	05/20/2024
Diligence : Schematic Design	07/01/2022	11/11/2022
Schematic Drawings	07/01/2022	10/31/2022
Diligence : Pro Forma	11/01/2022	11/04/2022
Confirm MEDC support	11/07/2022	11/11/2022
Diligence : Pricing	10/24/2022	10/28/2022
Diligence : Restaurant Lease	11/14/2022	11/28/2022
Draft Lease	11/14/2022	11/25/2022
Signed Lease	11/28/2022	11/28/2022
Design : Construction Drawings	11/14/2022	02/17/2023
Hotel Interior Design	01/02/2023	02/17/2023
Restaurant Design Development	11/14/2022	12/30/2022
Restaurant Interior Design	01/02/2023	02/17/2023
MEP	12/05/2022	02/17/2023
Diligence : Tax Abatement	10/17/2022	01/06/2023
OPRA	10/17/2022	10/21/2022
OPRA Submit	10/24/2022	10/24/2022
Brownfield	10/17/2022	10/21/2022
Brownfield Submit	10/24/2022	10/24/2022
Brownfield application approval - city meeting	12/06/2022	12/06/2022
Brownfield plan approval - city meeting	01/06/2023	01/06/2023
Brownfield plan and opira approval	01/06/2023	01/06/2023
Diligence : Historic Grant	10/24/2022	04/14/2023
Diligence : Historic Part 1	10/24/2022	11/01/2022
Historic Submit 1	11/01/2022	11/01/2022
Diligence : Historic Part 2	01/30/2023	02/17/2023
Historic Submit 2	02/17/2023	02/17/2023
Award Historic	04/14/2023	04/14/2023
Diligence : CRP Grant	10/24/2022	04/03/2023
Diligence : CRP application work	10/24/2022	12/09/2022
LOT Bank	12/02/2022	12/02/2022
Lease from Tenant	12/02/2022	12/02/2022
Background Checks	12/02/2022	12/02/2022
Tax abatement apps submitted	12/02/2022	12/02/2022
Historic Part 1 submitted	12/02/2022	12/02/2022
LOT from bank	12/02/2022	12/02/2022
Business plan	12/02/2022	12/02/2022
Interior / exterior photos	12/02/2022	12/02/2022
Proof of cash	12/02/2022	12/02/2022
Cost Est.	12/02/2022	12/02/2022
Renderings	12/02/2022	12/02/2022
CRP Submit FOR LOI	12/09/2022	12/09/2022
Diligence : CRP Preliminary Approval	01/18/2023	01/18/2023
Diligence : Final Award CRP Grant	04/03/2023	04/03/2023
Diligence : Business Plan	10/17/2022	11/04/2022
Business Plan Completion	10/17/2022	10/28/2022
SBA Business Plan Stamp	10/31/2022	11/04/2022
Financing	11/07/2022	05/12/2023
Diligence : Close on financing	04/03/2023	05/12/2023
Diligence : Engage Bank LOT	11/07/2022	11/25/2022
Construction	02/20/2023	04/12/2024
Construction bids	02/20/2023	03/31/2023
Construction : Hard Hats	05/15/2023	04/12/2024
Hello World	04/15/2024	05/20/2024
Broom Ready	04/15/2024	04/15/2024
Hotel Staging	04/16/2024	05/06/2024
Restaurant Staging	04/16/2024	05/06/2024
Training	05/06/2024	05/15/2024
Begin Leasing	05/17/2024	05/20/2024
Supporting Gannt Chart can be found here ; https://app.inslagantt.com/shared/s/1202401921985178/latest		

Economic Impact of Our Hotel

The MEDC reports that \$283 is spent per person on vacation in Michigan. At 52% occupancy and using an average of 5 guests per stay, along with the category spend percentages supplied by the noted MEDC report, the annual impact of our hotel is considerable.

Visitor Spending Numbers - RSH Project : 348 River St.		
*Average per person Overnight spend in 2019	\$283	Annual Spend
Average guests per room	5	\$1,415
Total rooms	5	\$7,075
Average annual occupancy %	52%	\$3,679
365 days per year	365	\$1,342,835
*Citation: <i>Economic Impact of Tourism in Michigan 2019</i> , by Tourism Economics / MEDC. https://medc.app.box.com/s/g0vot2gdissrzzz1em4l7jsu8ec7r5p4		
Annual Impact to Area Business by Sector		
2019 State of MI Averages *		Annual Local Impact
Air	8.0%	\$107,427
Local Transportation	18.1%	\$243,053
Recreation	14.4%	\$193,368
Retail	13.7%	\$183,968
Restaurants	22.5%	\$302,138
Lodging (RSH Bookings)	23.2%	\$311,538
Total Annual Impact		\$1,341,492

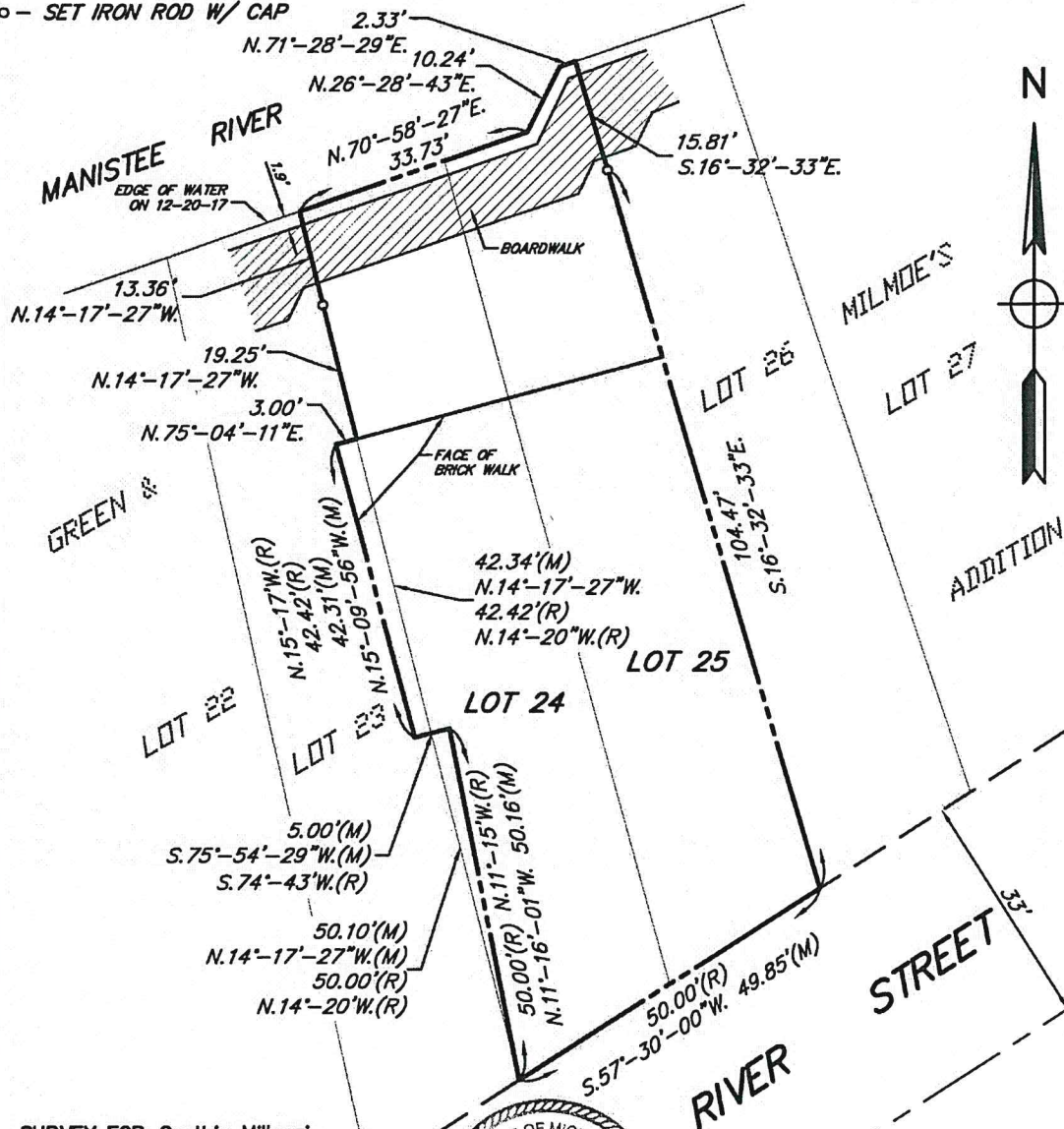
<https://medc.app.box.com/s/g0vot2gdissrzzz1em4l7jsu8ec7r5p4>

Full Time Employee or Equivelant Estimate					
Space	Dept		Est Salary	Note	
<i>Emerald Cove</i>					
Part time	Manager : Marketing / Sales		\$52,000	Will be RSH Member. Full cost, not take home.	
Part time	Manager : Building Management		\$52,000	Will be RSH Member. Full cost, not take home.	
Part time	Manager : Hotel Operations / Admin		\$52,000	Will be RSH Member. Full cost, not take home.	
<i>Restaurant</i>					
Full time	Shift Manager		\$42,000.00		
Full time	Shift Manager		\$42,000.00		
Full time	Shift Manager		\$42,000.00		
Full time	Shift Manager		\$42,000.00		
Full time	Line cook		\$48,000.00		
Full time	Line cook		\$48,000.00		
Full time	Line cook		\$48,000.00		
Full time	Line cook		\$48,000.00		
Full time	Manager		\$67,500.00		
Full time	Manager		\$67,500.00		

RSH will employ 3 part time employees and our restaurant partner will bring an estimated 10 full time employees to downtown Manistee.

SCALE: 1" = 20' (M) - MEASURED DIMENSION (R) - RECORDED DIMENSION DWG. NO.: A-27884

o - SET IRON ROD W/ CAP



SURVEY FOR: Cynthia Millonzi
P.O. Box 2212
Wimberley, TX 78676

DATE: January 04, 2018

SURVEY OF:

TAX #51-452-703-07



Green and Milmo's Addition, Lots 24 and 25, Also Commencing N.14'-20'W., 50 FT of Southeast corner of Lot 23, N.14'-20'W., 42.42 feet, S.74'-43'W., 3 feet, S.15'-17'E., 42.42 feet to the face of a brick wall, N.74'-43'E., 2.42 feet to the point of beginning.
EXCEPT Commencing at the Southwest corner of Lot 24, N.14'-20'W., 50.00 feet; thence N.74'-43'E., along the face of a brick wall, 2.58 feet; thence S.11'-15'E., 50.00 feet to the point of beginning.

I hereby certify that I have surveyed the parcel of land hereon shown and described.

By: Patrick G. Bentley

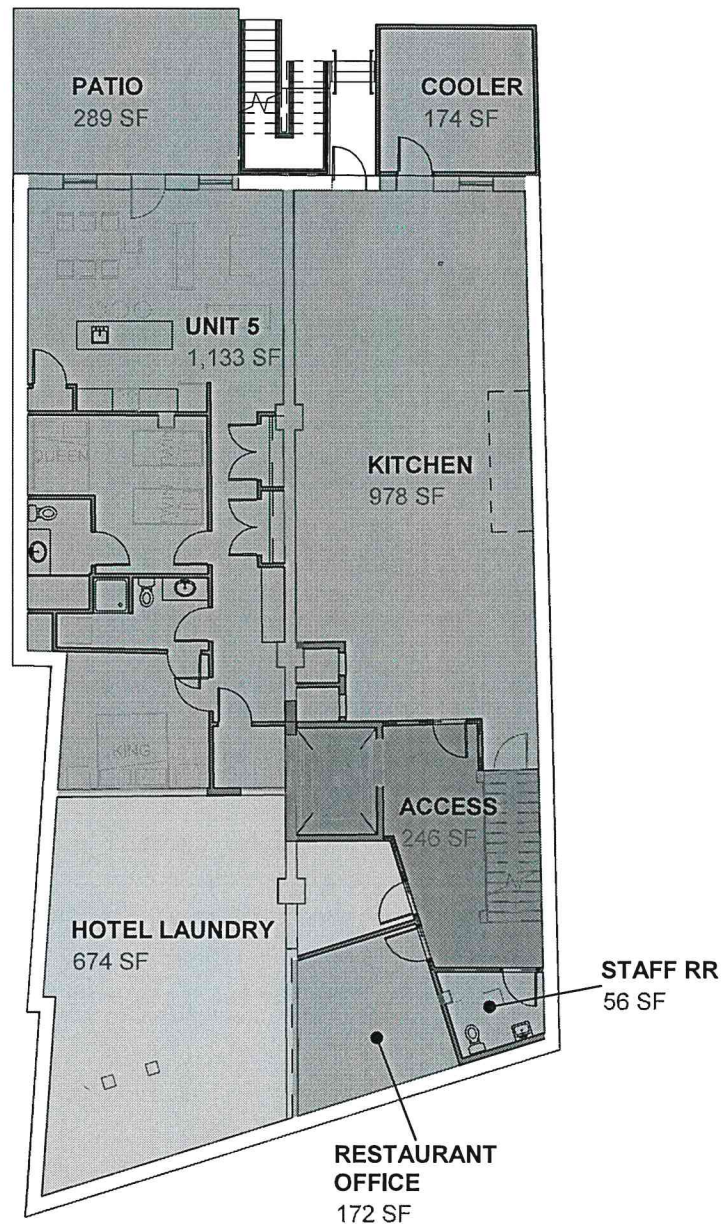
Patrick G. Bentley
Professional Surveyor No. 47944

Date: 1-5-18

DRAWN BY: MJE
CHECKED BY: PGB

PLOT DATE: 01/04/18 2:55
SHEET 1 OF 1

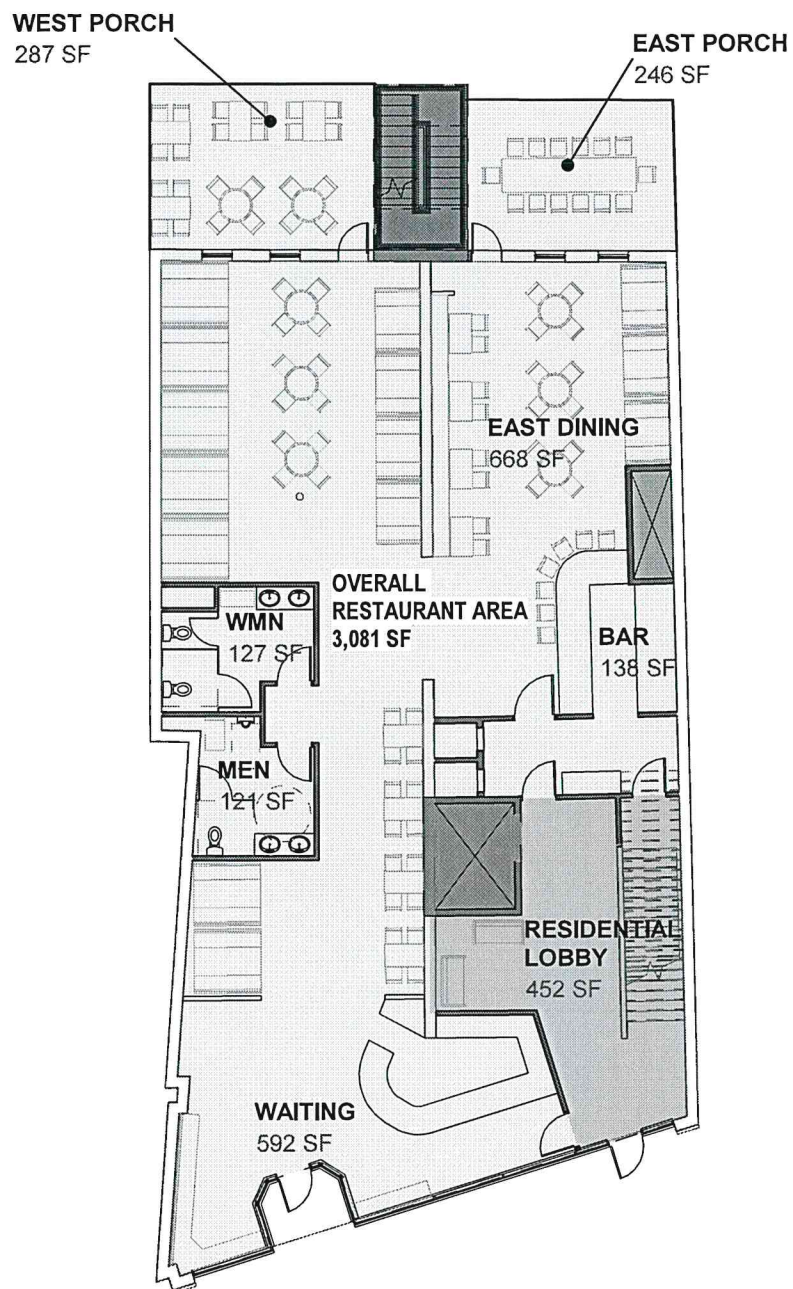
JOB #125432SG2017
DWG # A-27884



1 RIVERWALK FLOOR PLAN

1/16" = 1'-0"

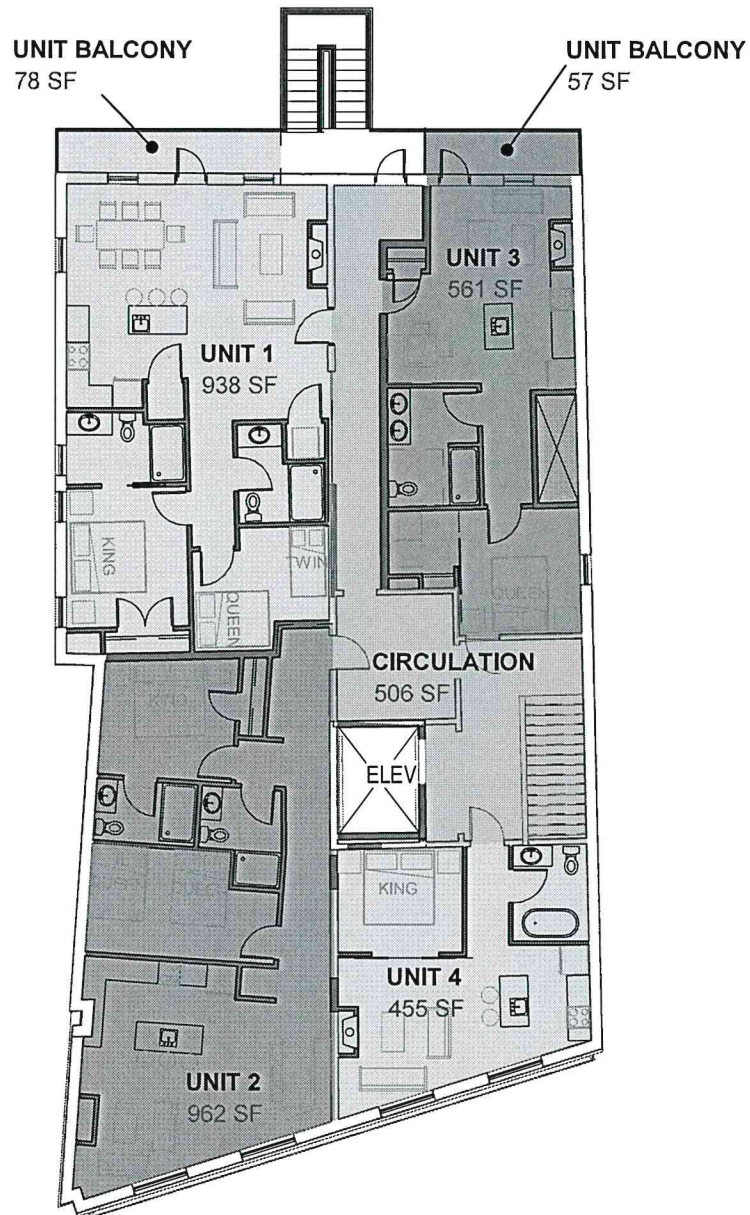




1 FIRST FLOOR PLAN

1/16" = 1'-0"





1 SECOND FLOOR PLAN

1/16" = 1'-0"



Emerald Cove

348 River Street, Manistee, MI 49660

11/18/2022

Element Description	Total Cost
<u>Site, Demolition and Environmental Costs</u>	
Public Infrastructure (roads, sidewalks, utilities, sewage, etc.)	\$8,250
Site Improvements (walks, drives, landscaping, fencing, lights, and drainage)	\$22,000
Demolition (Include Lead & Asbestos Abatement)	\$115,720
Other Environmental Mitigation	\$0
Earth Work	\$0
Site Utilities	\$22,000
Other:	\$0
<u>Structures</u>	
Parking Structures	\$0
Building Concrete/Masonry	\$149,182
Steel	\$171,820
Carpentry	\$165,220
Roofing/Metal/Siding/Insulation/Caulking	\$146,933
Doors/Windows/Glass	\$167,255
Drywall/Acoustical	\$259,030
Flooring	\$146,300
Cabinets/Countertops/Appliances	\$140,363
Painting/Decorating	\$84,810
Plumbing/Electrical/Fire Protection	\$472,885
HVAC	\$239,191
Accessory Buildings/Garages	\$0
Elevators/Special Equipment	\$162,800
Tenant Upgrades	\$0
Other:	\$0
Builder Overhead/Profit/General Requirements	\$370,000
Permits/Tap Fees/Bond/Cost Certification	\$21,128
Construction Contingency	\$150,000
Other:	
Grand Total	\$3,014,886



STATEMENT OF OBSOLESCENCE FROM ASSESSOR

This building that is the subject of this request is a typical two-story, downtown Building being constructed around 1890. The first floor of the building has been used As a commercial retail space for many years while the second-floor has been unused For approximately 20 years. The Second floor is completely unusable in its present condition due to the condition of the building, with the leaking roof, broken windows. The obsolescence is evident in the lack of modern electrical, plumbing and mechanical systems as well as the poor condition of the wall, floors and ceilings, due to the poor condition of the roof. The windows and doors are very old on the side and rear of the building and inefficient by today's standards. In the opinion of the assessor, this property suffers in excess of 50% functional obsolescence.

A handwritten signature in black ink, appearing to read 'Molly Whetstone', written over a horizontal line.

Marlene "Molly" Whetstone
City of Manistee Assessor

Dated: October 17, 2022